

The Owatonna Public Utilities Commission met in regular session in the Commission Room. Present were Commissioners Truelson, Schreiner, and Noyce. Commissioner Emanuelson arrived late and Commissioner Mayhew was absent. Also present were General Manager Shurts, Director of Finance & Administrative Services Bruno, Director of Marketing & Power Management Green, Supervisor Gas/Water/Facilities Maintenance Bendorf, Supervisor SCADA & Energy Management Warehime and Executive/HR Assistant Tammy Schmoll. Special guests included Mr. Dave Berg, R.W. Beck.

Mr. Berg led the Pledge of Allegiance.

Minutes

The Minutes from the special budget meeting of November 1, 2005 and the regular meeting of October 25, 2005 were presented to the Commission. Commissioner Schreiner moved to approve the Minutes. Commissioner Noyce seconded the motion. All Commissioners voting Aye, the motion passed.

Committee Reports

Finance Committee – Commissioner Noyce reported the Finance Committee met, reviewed and approved the Vouchers, investments, financial statements and one non-budgeted work order for a truck.

Personnel Committee – Commissioner Schreiner reported the Personnel Committee did not meet.

Natural Gas & Water Rates

General Manager Shurts resubmitted natural gas & water rate policies that were previously submitted at the October Commission meeting. He reminded the Commission the electric rates were not submitted due to anticipated changes in the SMMPA wholesale rate and the rate study being conducted by RW Beck. Mr. Shurts submitted policy #503.10 Gas Rates Residential to the Commission. Commissioner Noyce moved to approve the policy as submitted. Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the motion passed.

General Manager Shurts submitted policy #503.20 Gas Rates Commercial to the Commission. Commissioner Noyce moved to approve the policy as submitted. Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the motion passed.

General Manager Shurts submitted policy #503.50 Gas Rates Interruptible to the Commission. Commissioner Noyce moved to approve the policy as submitted. Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the motion passed.

General Manager Shurts submitted policy #503.90 Gas Rates Crop Drying to the Commission. Commissioner Noyce moved to approve the policy as submitted. Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the motion passed.

General Manager Shurts submitted policy #502.11, 502.21, 502.31, 502.41 Water Rates Residential, Commercial & Industrial to the Commission. Commissioner Noyce moved to approve the policy as submitted. Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the motion passed.

Contributed Services

The Contributed Services report as of October 31, 2005 was submitted to the Commission. The Commission signed the report.

General Manager/Staff Report

General Manager Shurts reported OPU has reached an agreement with Alliant on the service territory including the proposed hospital, the Hospice House and the clinic.

R.W. Beck Electric Rate Study

At this time, Mr. Emanuelson arrived and Commission returned to agenda item #3, R.W. Beck Electric Rate Study. Mr. Shurts introduced Dave Berg from R.W. Beck. Mr. Berg presented "Options Looking Forward" to the Commission. Mr. Berg noted the market is changing dramatically and prices are going up for all utilities. He presented the Commission with three alternatives and discussed each one at length. Mr. Shurts noted staff's recommendation is alternative 2 whereby two rate increases of 11.9% each would go into effect; one in 2006 and the other in 2008. Mr. Berg continued by discussing electrical price trends and showed what the electric rates would look like with each of the three alternatives. After discussion, the Commission consensus was to set the rates consistent with Alternative #2. The Commission thanked Mr. Berg for his time and presentation.

General Manager/Staff Report's continued

The Commission returned their attention to the GM/Staff reports. General Manager Shurts reported a dues and subscriptions summary sheet was presented to the Commission for their review and discussion at the last meeting.

Director of Marketing & Power Management Green reported on the gas prices.

Supervisor of SCADA & Energy Management Warehime reported to the Commission on the focus groups the Triad held in each of the three cities. He distributed copies of the summary. He noted the main goal was to find out what the general perception is of each utility as well as municipal utilities as a whole. In general, OPU ranked very well. Customers were slightly concerned with our ability to plan for the future.

2006 Budget, Forecast 2006-2010

General Manager Shurts noted, after discussions with SMMPA most of the information regarding electric rates was no longer valid and should be disregarded. Mr. Shurts and Mr. Bruno discussed the changes made to the budget since the last meeting. Staff recommended tabling this agenda item until the December meeting when better numbers would be available from SMMPA on the wholesale side.

Commission Roundtable

Commission Emanuelson – Thanks for all the work on the budget.

Commission Schreiner – Nothing.

Commissioner Noyce – Nothing.

Commissioner Truelson – I would like to see an OBI update. General Manager Shurts responded we will have an update after the first of the year.

Adjournment

There being no further business to come before the Commission, Commissioner Schreiner moved to adjourn the meeting. Commissioner Emanuelson seconded the motion. All Commissioners voting Aye, the meeting adjourned at 5:56 p.m.

Respectfully submitted,

Tammy Schmoll
Executive/HR Assistant